

MALAYSIA



Malaysia is an important Muslim-majority nation in Southeast Asia and a vital contributor to regional stability and security. The U.S. Government offers assistance centered on enhancing Malaysia's capability to counter terrorist activities, eliminate the proliferation of weapons of mass destruction (WMD), and work with regional partners to ensure the security of critical maritime areas, including the Strait of Malacca and the Sulu and Sulawesi seas. The United States is working with Malaysia to halt illicit exports, including through providing technical assistance in finalizing, enacting and implementing a comprehensive export control law and developing the operational capabilities of the Malaysian Maritime Enforcement Agency.

FOREIGN RELATIONS

Regional cooperation is a cornerstone of Malaysia's foreign policy. It was a founding member of the Association of Southeast Asian Nations (ASEAN) and served as the group's chair most recently in 2005-2006. It hosted the ASEAN Summit and East Asia Summit in December 2005, as well as the ASEAN Ministerial and the ASEAN Regional Forum in July 2006.

Malaysia is an active member of the Asia Pacific Economic Cooperation (APEC) forum, the Organization of the Islamic Conference (OIC), the Non-Aligned Movement (NAM), and the United Nations. It was chair of the OIC until March 2008 and has also chaired the NAM.

Malaysia is a frequent contributor to UN and other peacekeeping and stabilization missions, including recent deployments to Lebanon, Timor-Leste, Philippines, Indonesia, Pakistan, Sierra Leone, and Kosovo.

U.S.-MALAYSIAN RELATIONS

The United States and Malaysia share a diverse and expanding partnership. Economic ties are robust. The United States is Malaysia's largest trading partner and Malaysia is the sixteenth-largest trading partner of the U.S. Annual two-way trade amounts to \$44 billion. The United States and Malaysia launched negotiations for a bilateral free trade agreement (FTA) in June 2006.

The United States is the largest foreign investor in Malaysia on a cumulative basis. American companies are particularly active in the energy, electronics, and manufacturing sectors. The U.S. direct investment position in Malaysia for 2007 was \$15.7 billion.

The United States and Malaysia cooperate closely on security matters, including counter-terrorism, maritime domain awareness, and regional stability. The relationship between the U.S. and Malaysian militaries is also strong with numerous exchanges, training, joint exercises, and visits. The U.S. and Malaysia signed a Mutual Legal Assistance Treaty (MLAT) in July 2006 during the visit to Kuala Lumpur by Secretary of State Condoleezza Rice.

The United States and Malaysia have a long history of people-to-people exchanges. Well over 100,000 Malaysians have studied in the U.S. At any one time there are over 7,000 Malaysians studying at U.S. universities. Last year approximately 130 Malaysians took part in U.S. Government-sponsored exchange

programs for professional development and study. Each year, about 50 Americans travel to Malaysia under U.S. Government auspices to share their experience as visiting academics or speakers.

There are approximately 1,500 alumni of the International Visitor Leadership Program (IVLP) and 2,000 from the Fulbright, Humphrey, Eisenhower, and Youth Exchange for Study (YES) programs. Prominent Malaysian alumni include federal ministers, deputy ministers, and members of parliament from both the ruling party and opposition parties. At least four current and past chief ministers (state governors) are alumni, and former Prime Minister Mahathir is an alumnus of a 1973 program. These alumni have used their educations to create a stronger Malaysian society and have built enduring understanding between Malaysia and America. Their contributions to Malaysian society will continue for many years to come.

Peace and Security: Counter-terrorism assistance will enable Malaysia to better prevent, investigate, and respond to terrorist activities. The Department of State will supply assistance in conjunction with Malaysia's regional counter-terrorism training center. Maritime border security will be improved by making available selected training and equipment to Malaysian enforcement authorities, particularly for use in the vital Sulu and Sulawesi seas. Targeted nonproliferation programs will help Malaysia develop, enact and execute a comprehensive export control law, improve its export licensing process, and further develop its nonproliferation and anti-smuggling enforcement capabilities. Funding will also support professional military education and training for Malaysian defense forces.